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THE Feed SITUATION

BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

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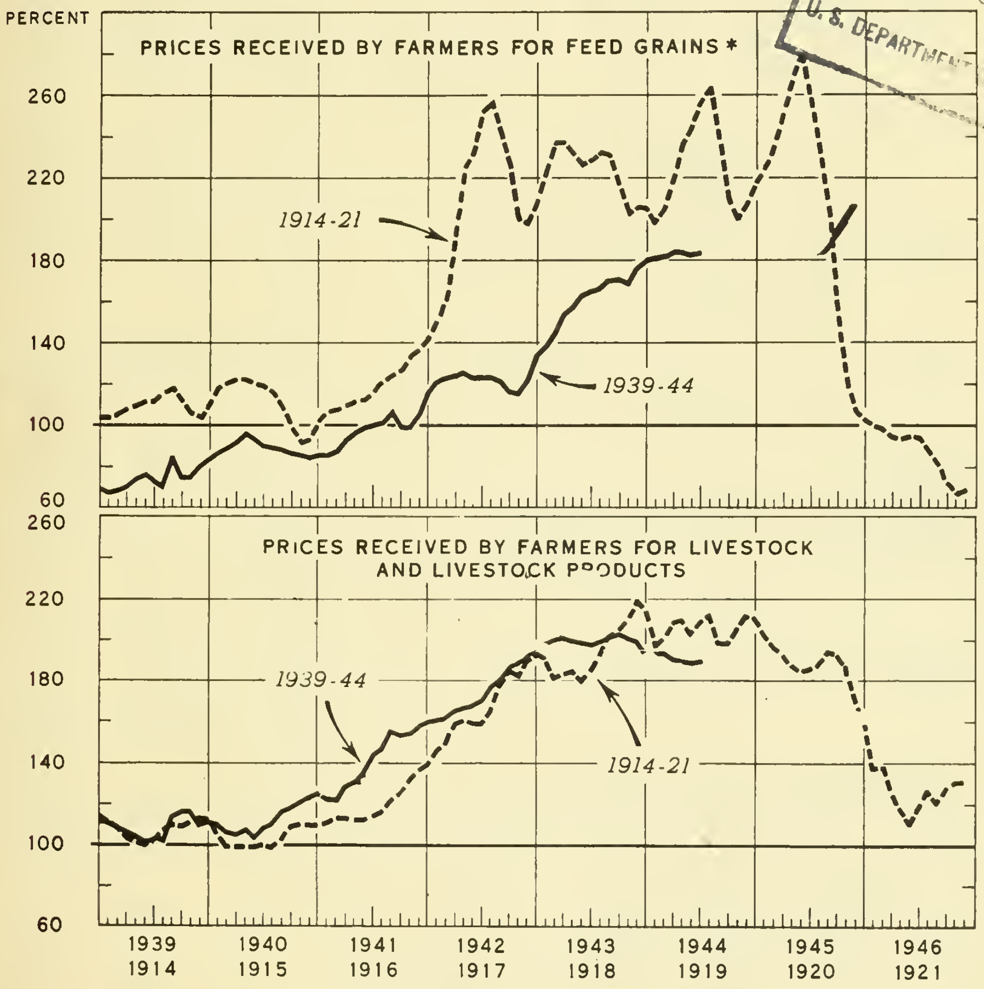
PRICES OF FEED GRAINS, AND LIVESTOCK AND LIVESTOCK PRODUCTS, UNITED STATES, 1914-21 AND 1939-44
INDEX NUMBERS (AUG. 1909-JULY 1914=100)



* CORN, OATS, AND BARLEY

U. S. DEPARTMENT OF AGRICULTURE NEG. 43828 BUREAU OF AGRICULTURAL ECONOMICS

On the average farmers received higher prices for feed grains during World War I than they have in World War II, but prices received for livestock and livestock products have been slightly higher in World War II than in most of World War I. The relatively more favorable prices for livestock and livestock products during 1941-43 encouraged expansion of livestock production. Declining livestock prices in late 1943 and early 1944, and slightly advancing feed-grain prices were factors in decreasing hog and poultry production. Prices of both livestock and feeds declined moderately 2 to 3 months after the Armistice in 1918, but prices remained high throughout 1919 and much of 1920.

Table 1.- Market prices of feeds and livestock-feed price ratios, August 1942, 1943, and June-August 1944

Items	Unit	August		1944		
		1942	1943	June	July	Aug. 1/
Grains		Cents	Cents	Cents	Cents	Cents
Corn No. 3 Yellow, Chicago	Bu.	84.4	106.5	115.5	115.5	115.5
Oats No. 3 White, Chicago	"	49.0	71.5	80.5	77.1	74.7
No. 3 White, Minneapolis	"	44.1	68.4	79.4	73.1	69.5
Barley, No. 3, Minneapolis	"	64.0	107.7	134.9	131.3	123.0
Wheat No. 2 Hard Winter, Kansas City	"	111.2	139.8	155.6	152.1	149.4
Rye No. 2, Minneapolis	"	58.8	95.4	112.1	113.0	114.7
Byproduct Feeds (bagged)		Dol.	Dol.	Dol.	Dol.	Dol.
Standard bran, Minneapolis	Ton	31.30	37.75	37.75	37.75	37.75
Chicago	"	33.35	39.90	39.80	39.80	39.80
Buffalo	"	35.40	41.55	41.55	41.55	41.55
Standard middlings, Minneapolis	"	31.40	37.75	37.75	37.75	37.75
Chicago	"	33.60	39.90	39.80	39.80	39.80
Buffalo	"	35.10	41.55	41.55	41.55	41.55
Cottonseed meal, 41 pct. protein, Memphis	"	35.20	49.00	48.50	48.50	48.50
Linseed meal, 34 pct. protein, Minneapolis	"	34.75	45.50	45.50	45.50	45.50
30 pct. protein, San Francisco	"	42.25	47.00	47.00	47.00	47.00
Soybean meal, 41 pct. protein, Chicago	"	42.60	51.90	51.90	51.90	51.90
41 pct. protein, Decatur	"	38.95	48.50	2/48.50	2/48.50	2/48.50
Peanut meal, 45 pct. protein, S. E. milling points	"	36.60	53.00	53.00	53.00	53.00
White hominy feed, Chicago	"	35.25	47.00	49.70	49.40	49.40
Gluten feed, 23 pct. protein, Chicago	"	29.25	---	41.50	41.50	41.50
Tankage, digester, 60 pct., Chicago 3/	"	74.50	74.55	74.55	74.55	74.55
Meat scraps, Chicago 3/	"	71.50	73.50	73.50	73.50	73.50
Fish meal, San Francisco	"	79.00	79.50	79.50	79.50	79.50
Alfalfa meal, No. 1 fine, Kansas City	"	31.40	35.30	47.40	47.40	47.40
Mixed dairy feed, 16 pct. protein	"	44.40	55.80	60.40	60.20	59.80
Laying mash	"	58.80	67.20	73.00	73.20	72.80
		Pct.	Pct.	Pct.	Pct.	Pct.
Index of Feed Prices						
Feed grains, U. S., 1910-14=100		123	167	183	184	4/182
Oilseed meal, terminal markets, 1935-39=100		129	166	166	166	166
Livestock byproduct feeds and fish meal, terminal markets, 1935-39=100		164	166	166	166	166
Ten principal high-protein feeds, terminal markets, 1935-39=100		135	163	166	166	166
Livestock-Feed Price Ratios, Index Numbers, 1923-42=100 5/						
Hog-corn ratio, Chicago		144	111	93	97	6/105
Beef steer-corn ratio, Chicago		122	100	97	97	6/ 96
Butterfat-feed ratio, U. S. 7/ 8/		105	97	104	104	4/101
Milk-feed ratio, U. S. 7/ 8/		103	101	107	108	4/105
Egg-feed ratio, U. S. 7/		116	109	87	85	4/ 87

1/ Grain prices, average for week ended August 19, byproduct feed prices as of August 15. 2/ Bulk price plus allowance for bags. 3/ Processors' price at Chicago plus allowance for bags. 4/ Preliminary. 5/ For egg-feed ratio 1933-42=100. Index numbers above 100 indicate that ratios are favorable to livestock producers. 6/ For week ended August 19. 7/ Adjusted for seasonal variation. 8/ Includes dairy feed payments which began October 1, 1943.

THE FEED SITUATION

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Summary

The prospective 1944-45 supply of feed grains as indicated on August 1, including carry-overs from previous crops plus 1944 production, is estimated to be about 6 percent smaller than in 1943-44, but slightly larger than the 1938-42 average supply. With a prospective 13 to 15 percent decrease in grain-consuming animals on farms next January 1, the supply per animal unit for 1944-45 would be about 9 percent larger than a year earlier, and only about 5 percent smaller than the average for 1938-42, when reserves of feed grains were being accumulated. The corn supply -- prospective carry-over and production -- indicated August 1 is 3,200 million bushels, 7 percent smaller than in 1943-44.

Feed-grain production for 1944-45, compared with production a year earlier, probably will be larger in the North Atlantic States, about the same in the Western States, but smaller in the Southern and North Central regions. Hay supplies are larger in the Western States this year compared with a year earlier, but smaller in other regions of the country. Total hay supplies for the United States are about 5 percent smaller than a year earlier, but slightly larger than the average for the 1938-42 period.

Supplies of byproduct feeds probably will be slightly smaller in 1944-45 than in 1943-44. A considerably reduced production of linseed meal is expected, as well as a smaller production of soybean and cottonseed meals, and possibly of tankage and meat scraps. Supplies of wheat millfeeds may be a little larger in 1944-45 than in 1943-44. Despite smaller prospective supplies of byproduct feeds, the supply per animal unit may be greater than in 1943-44, because of fewer animals.

Supplies of wheat will be at near-record levels. But the quantity of wheat used as feed for livestock may be considerably smaller in 1944-45 than in 1943-44, reflecting the prospective improvement in supplies of other grains in relation to livestock numbers and the higher price of wheat in relation to corn.

Ceiling prices for oats and barley were revised downward by the Office of Price Administration in late July, with the new oats ceiling prices becoming effective July 26, and the new barley ceiling prices becoming effective August 1. The reductions in ceiling prices are estimated by OPA to amount to about 5 cents per bushel on oats and about 3 cents per bushel on barley in production areas. Prices of practically all feeds are now at or near ceiling levels.

-- August 23, 1944

RECENT DEVELOPMENTS

Drought Persists in Eastern Sections in Early August

Drought or near-drought conditions persisted in a large area in the East Central section of the country during July and early August. Fortunately, the present drought followed a period of wet weather, and consequently did not materially reduce the yields of small grains or early hay in most of the country. Growing conditions in most areas west of the Mississippi River were favorable, and feed production was promising. East of the Mississippi, however, rather large areas have experienced drought or near-drought conditions, and in those dry areas feed production probably will be considerably below that of 1943.

Pastures Poor in Central and Eastern Drought Area

On August 1, condition of farm pastures in the country as a whole averaged 72, which was 12 percent lower than for the same date a year ago, but about the same as the 20-year (1923-42) average for that date. Pastures and ranges in most central and northern areas from the western Corn Belt to the Pacific Coast States were in good condition. But persisting drought during July and early August in Central and Eastern sections of the United States resulted in sharply deteriorating pasture conditions in those areas. Pasture feed was very poor over a broad belt extending from Missouri, Arkansas, and Louisiana northeastward to southern Michigan, most severe in Kentucky and Tennessee, eastern and southern Pennsylvania, and southern New England. In the Pacific Northwest, pasture condition declined rather sharply during July, with feed ranging from fair to poor in northwestern Montana, in much of Washington, and in northern Oregon. In contrast, pastures and ranges were furnishing good to excellent feed on August 1 in the West North Central States (other than Missouri) and in central and northern Rocky Mountain and Intermountain States.

Wheat Supplies Near Record; Quantity to be Used for Feed Probably will be Smaller than in 1943-44

The domestic wheat supply, not including imports, for the 1944-45 year, is indicated at about 1,448 million bushels, which would be below only the 1,606 million bushels in 1942-43 and 1,458 million in 1943-44. As of August 1 the 1944 crop was indicated at 1,132 million bushels, which would be the largest in our history. The carry-over of old wheat on July 1 is estimated at 316 million bushels, only about half as large as the carry-over a year earlier, but about a third larger than the average for the 10-year (1932-41) period.

For the first time in 3 years the wheat crop probably will be large enough to meet requirements without reducing the size of the carry-over. The quantity of wheat fed in 1943-44 (October-September) totaled about 427 million bushels, of which 100 million were fed on farms where grown, and the remainder domestic and imported wheat purchases. The quantity of wheat to be fed out of the 1944 crop will depend largely on the outcome of the corn crop. On the basis of present prospects, 250 to 300 million bushels might be used.

Relatively Substantial Quantities of Rye Available for Feed in 1944-45

Domestic supplies of rye for the 1944-45 year are estimated at about 54.2 million bushels, including a carry-over on July 1 of 26.6 million bushels (exclusive of stocks at interior mills, elevators, and warehouses), and an indicated 1944 crop of 27.6 million bushels. During the 1943-44 crop year almost 33 million bushels of rye were fed; food requirements amounted to about 11.5 million bushels, seed 6 million, and alcohol about 4 million bushels. Relatively substantial quantities of rye will again be fed during the 1944-45 crop year, although probably less than the large quantity fed in 1943-44.

Table 2.- Rye: Supply and distribution, United States, 1938-43

Year beginning July	Stocks July 1 1/	Production	Imports	Total supply	Domestic disappearance					Exports
					Food	Seed	Spirits and alcohol	Feed	Total	
	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.
1938	9.5	56.0	2/	65.5	6.1	10.5	5.5	19.2	41.3	0.8
1939	23.4	38.6	2/	62.0	9.8	8.1	5.6	17.3	40.8	0.7
1940	20.5	40.0	1.4	61.9	8.6	8.2	6.7	16.6	40.1	0.2
1941	21.6	45.4	8.8	75.8	11.3	8.4	6.9	18.4	45.0	2/
1942	30.8	57.7	1.0	89.5	11.3	7.5	2.0	26.3	47.1	2/
1943	42.4	30.8	3/		11.5	6.4	4.3	32.4	54.6	3/
1944 4/	26.6	27.6								

1/ Farm stocks June 1 plus commercial stocks July 1. The total of stocks on farms, commercial stocks, and stocks at interior mills, elevators, and warehouses (reported for the first time in 1943), all on July 1, is 47.1 million bushels for 1943, and 31.0 million bushels for 1944.
2/ Less than 50,000 bushels.
3/ Not available for publication.
4/ Preliminary.

Oats and Barley Marketings Increase Seasonally; Corn Marketings Continue Slow

Movement of oats into commercial channels during July was at about the same rate as in May and June, and at about the average rate for July in 1938-42. An increase in commercial marketings of barley was recorded in July compared with previous months, and marketings were considerably greater than the 1938-42 average for that month. Movement of corn into commercial channels declined seasonally in July to only about 69 percent of the average volume received at principal terminal markets in July in the 1938-42 period.

During the first weeks of August receipts of corn at principal terminal markets declined to the smallest weekly volume since early May. However, the volume of oats and barley received at terminal markets was increasing during early August. During the week ended August 12 receipts of oats at 12 principal markets were the largest for any week since September 1943. New crop barley began to be marketed in volume about a month earlier than usual this year as a result of very strong demand for feed grains. During each of the two weeks from July 30 to August 5 and from August 6 to August 12, receipts of barley at four principal markets were larger than for any week since October 1943. The increase in oats and barley marketings and the decrease in volume of corn marketed was largely seasonal. Increased marketings of corn normally occur in late September or early October, and oats and barley in late July or early August.

Table 3.- Feed grains: Receipts at primary markets, July 1938-43, May-July 1944

Item	July			1944		
	Average 1938-42	1942	1943	May	June	July
	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.
Corn, 12 markets 1/	21,341	23,697	11,513	15,410	22,111	14,762
Oats, 12 markets 1/	7,698	6,607	11,026	8,115	7,734	7,944
Barley, 4 markets 2/	4,148	4,118	15,480	8,346	7,850	11,135

Compiled from reports of the War Food Administration.

1/ Chicago, Milwaukee, Minneapolis, Duluth, St. Louis, Kansas City, Peoria, Omaha, Indianapolis, Sioux City, St. Joseph, and Wichita.

2/ Minneapolis, Milwaukee, Chicago, and Duluth.

Prices of Oats, Barley, Grain Sorghums and Hay Decline; Corn Higher in July

Prices received by farmers for feed grains and hay averaged 168 percent of the 1909-14 level in mid-July, 1 percent below a month earlier, but 11 percent higher than in July 1943. On July 15, prices received for oats and barley were down about 2 cents per bushel from a month earlier, grain sorghums were down 4 cents per hundred pounds, but corn prices were up 2 cents per bushel from a month earlier, about half the usual seasonal rise. Hay prices declined more than seasonally during the month ended July 15, averaging $13.90 per ton compared with $15.00 a month earlier. The decline in oats, barley, and grain sorghum prices reflected uncertainties in the trade as to OPA revisions in ceiling prices as well as seasonal factors. Prices of byproduct feeds remained firm at ceiling levels.

Prices for livestock and livestock products during 1941-43 were relatively more favorable to producers than feed-grain prices, but feed-grain prices continued to advance, while livestock prices remained relatively stable, with the result that expansion in most livestock production was halted in 1944. Recent declines in prices of oats, barley, and grain sorghums, advances in egg prices, and the rise in hog prices to ceilings are tending to restore livestock-feed price relationships to a more nearly normal basis.

August Sales of CCC Feed Wheat at Relatively High Level

Sales of wheat for feed by Commodity Credit Corporation in July amounted to 18.3 million bushels, a smaller volume than was sold in any of the previous 3 months, but about average for the first 6 months of 1944. August sales of CCC wheat for livestock feed are expected to amount to approximately 22 million bushels, which would exceed sales during any previous month of 1944 with the exception of May, when 23.7 million bushels were sold. CCC sales of wheat for feed during July and August 1943 amounted to about 44 million bushels each month -- about twice as large as in the same months of 1944. CCC stocks of wheat declined about 10 million bushels during July to 89.4 million bushels on August 1.

Table 4.- Wheat and corn: Commodity Credit Corporation stocks at beginning of year or month, and sales for feed, 1942-44

Calendar year and month	Stocks at beginning of period		Sales for livestock feed		
	Corn	Wheat 1/	Corn	Wheat	Total in 56-pound bushels
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
1942 ...	151,468	160,355	75,194	102,598	185,121
1943 ...	31,547	247,468	45,640	419,642	495,256
1944					
Jan. .	1,379	92,315	53	17,614	18,925
Feb. .	1,099	87,106	37	11,336	12,183
Mar. .	366	117,652	86	15,243	16,418
Apr. .	1,109	114,046	---	20,362	21,816
May ..	858	117,863	62	23,740	25,498
June .	738	98,718	49	20,251	21,747
July .	1,951	98,960	9	18,319	19,637
Aug. .	2,023	89,386		2/ 22,000	

1/ Based on reports of regional directors. Prior to May 1943 based on reports of custodians.

2/ Preliminary estimate.

Oilseed Meal Set-Aside Continued for September Production

Processors have been ordered to set aside 20 percent of their September production of oilseed meal for directed distribution to areas designated by the War Food Administration. The order is similar to those which have been issued for each month during 1944 under provisions of War Food Order 9, and is designed to make protein meal available for wider distribution. The order pertains to cottonseed, soybean, linseed, and peanut oil meal, cake, and pellets.

August Oilseed Meal Distribution About the Same as During July

United States distribution of cottonseed, soybean, linseed, and peanut cakes and meals is estimated at approximately 354,000 tons for August, about the same as in July. Of this total it is estimated that about 18 percent would be sold at the direction of the War Food Administration from set-aside stocks of oilseed meals under WFO 9, and the remaining 82 percent sold without restriction by processors throughout the country. Table 5 shows the estimated distribution by geographic divisions. While these data do not accurately reflect consumption by regions (further sales may be made after distribution by processors), the regions are sufficiently large for some compensatory movements of oilseed meals to be made between regions.

Table 5.- United States estimated distribution of oilseed meal: Processors' distribution, and War Food Administration allocations of oilseed meal under WFO-9, by geographic divisions, August 1944 1/

Geographic division	Processors' distribution (80 percent) 2/	Set-aside allocation	Total United States distribution
	Tons	Tons	Tons
North Atlantic	50,752	9,310	60,062
East North Central	88,162	11,250	99,412
West North Central	66,233	11,510	77,743
South Atlantic	20,952	6,872	27,824
South Central	39,798	11,416	51,214
Western	23,231	8,430	31,661
Total United States	3/ 290,018	4/ 63,956	353,974

Compiled from records of the War Food Administration. Preliminary.

1/ Includes cottonseed; soybean, linseed, and peanut meals.

2/ Includes mills' 50 percent distribution of CCC soybean meal produced in Southern plants from Northern-grown soybeans.

3/ Includes 890 tons of unknown destination.

4/ Includes 5,168 tons returned to processors.

RECENT GOVERNMENT ACTIONS

New "Master Regulation" for Grains Issued by OPA; Supplement Covering Sales by Retailers

The Office of Price Administration issued, effective July 26, 1944, a new type of basic pricing regulation for grains designed to make simpler the operation of price control for all handlers of those commodities. This new "master regulation" (Food Products Regulation 2 -- General Pricing Provisions for Certain Grains), put the general provisions common to several separate grain regulations into a single regulation. Separate regulations, with particular pricing provisions for each grain, or for a particular class of seller, are being issued as "supplements" to the "master regulation."

As now issued, the "master regulation" includes certain standard sections, and also establishes rules and other provisions which are common to all grains and which can be incorporated in the various supplements by reference. In addition to a number of rules and provisions relating to delivery, mark-ups, marketing functions, etc., the regulation sets forth rules relating to sales of grain that are exempt, such as seed grains, and grains for which special premiums may be charged, such as malting barley and racehorse oats. There is also a pricing provision for mixed grain which will be adopted by all grain supplements, as well as a provision establishing maximum prices for sales of grain on contract futures markets.

Issued simultaneously with the "master regulation" was Supplement 1 (Sales of Grain by Retailers). This supplement, effective July 26, 1944, allows the retailer a fixed mark-up of $4 per ton, or an approximately equivalent amount per bushel, for oats, barley, corn, wheat, and grain sorghums. It also allows him the addition of the charge which he incurs for delivery, or, if he does his own hauling, either a specified scale of hauling allowances or, at his option, a flat $1.00 per ton for distances of five miles or less, and $1.50 per ton for distances over five miles. Optional methods are provided in the Retail Supplement for determining the base price to which the retailer may add his mark-up.

Ceiling Prices of Oats Revised by OPA

Simultaneously with issuance of the "master regulation" for grains, and Supplement 1 (relating to sales of grain by retailers), the Office of Price Administration issued Supplement 2 (oats), also effective July 26, 1944. This regulation, in effect, reduced ceiling prices for oats at all levels, estimated by OPA at an average of 5 cents per bushel in production areas. In some sections of the country the reductions are greater, and in others, smaller. The new maximum prices were computed to reflect parity to producing farmers for the country as a whole during the 1944-45 crop year.

The new oats regulation divides the United States into "Area A" -- the surplus-producing area, and "Area B", which is the remainder of the United States. The "surplus area" may be roughly defined as the Northwest and Middle West, including the entire States of North Dakota and Iowa, and parts of Montana, South Dakota, Minnesota, Nebraska, Wisconsin, Illinois, and Indiana (fig. 1). Base prices per bushel at terminal base points are specified as follows:

Chicago, Illinois	$ .76
Milwaukee, Wisconsin	.76
Minneapolis and St. Paul, Minnesota	.72
Duluth, Minnesota, and Superior, Wisconsin	.72
Omaha, Nebraska, and Council Bluffs, Iowa	.72
Kansas City, Missouri, and Kansas City, Kansas	.74
St. Louis, Missouri, and East St. Louis, Illinois	.76
Philadelphia, Pennsylvania	.83-1/2
Portland, Oregon	.71
Seattle and Tacoma, Washington	.71
Ogden, Utah	.75

These prices are for the "standard grade and quality" of oats, which is stated by the Supplement to be No. 3 oats with a test weight of 27 pounds per bushel, and containing not over 14-1/2 percent moisture. Prices of other grades and qualities are computed by application of a schedule of discounts and premiums set forth in the regulation.

The pricing method on oats begins with the determination of a "base price" at the point of origin of any particular lot of oats. In "Area A" the price at any interior rail point is the highest price obtained by deduction of transportation charges from the base price at any "Terminal Base Point." In "Area B" the regulation specifies base prices for each county from which maximum prices at the producer and distributive levels are derived. The regulation also provides base prices for oats at certain barge-loading points on the Illinois and Mississippi Rivers which, together with the interior rail loading point prices, are given as the maximum price for country shippers, by rail or barge, f.o.b. these points.

For the producer, ceiling prices on the farm where the oats are grown are set at 3 cents per bushel under the base price at the nearest interior rail or barge loading point (whichever is nearer to the farm). If the producer delivers his oats to an elevator or warehouse, his maximum price is the base price at that point less 2 cents per bushel. If he trackloads, he receives the base price at the loading point less 1 cent per bushel.

The pricing provisions of the new supplement do not allow the producer any additional mark-up, no matter where or how he sells his oats. He is permitted to add only certain specified amounts to cover actual services he performs, or expenses he incurs. In no case, however, can he secure any additional profit above his profit as a producer, unless he actually is engaged in some other general phase of the grain business. This, of course, does not apply to sales of seed oats, which are not included under provisions of Supplement 2.

Further pertinent points in the supplement include definitions of subsequent classes of handlers, and specific permissible mark-ups. A "country shipper" selling in carload lots takes the base price at the point of loading. In less than carload lots he may receive an additional mark-up of 2 cents per bushel on deliveries to feeders or 1 cent on deliveries to others.

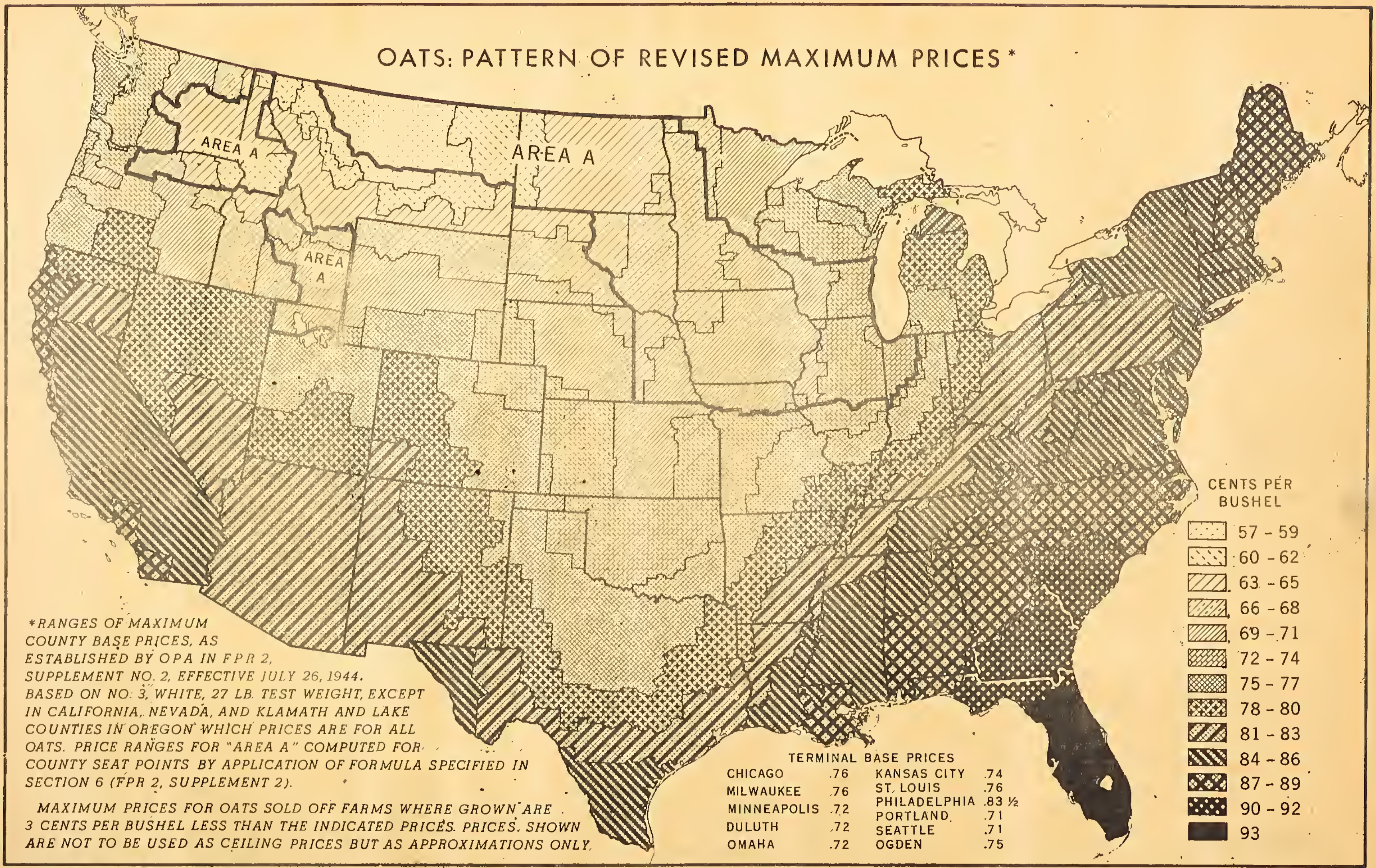
A "merchandiser" is permitted a markup of one cent per bushel over his suppliers' maximum prices in carlot sales, and an additional mark-up is permitted for certain sales in less than carload quantities.

The provision for a "trucker merchant" allows only the addition of a hauling allowance, with no further mark-up.

Barley Ceiling Prices Revised Downward by OPA

Supplement 3 to the master regulation (FPR 2), a revision in ceiling prices of barley, was issued by the Office of Price Administration, effective August 1, 1944. The new regulation reduced ceiling prices on barley an average of 3 cents per bushel in production areas. The greatest reductions were applicable to sections of the country where unusual conditions had resulted in comparatively high prices during November 29 to December 3, 1943, the "freeze" period on which the former ceiling prices were based.

The general pattern of the new barley regulation is similar to the revised oats price regulation, although terminal base points, "Area A" and



OATS: PATTERN OF REVISED MAXIMUM PRICES *

*RANGES OF MAXIMUM COUNTY BASE PRICES, AS ESTABLISHED BY OPA IN FPR 2, SUPPLEMENT NO. 2, EFFECTIVE JULY 26, 1944. BASED ON NO. 3, WHITE, 27 LB. TEST WEIGHT, EXCEPT IN CALIFORNIA, NEVADA, AND KLAMATH AND LAKE COUNTIES IN OREGON WHICH PRICES ARE FOR ALL OATS. PRICE RANGES FOR "AREA A" COMPUTED FOR COUNTY SEAT POINTS BY APPLICATION OF FORMULA SPECIFIED IN SECTION 6 (FPR 2, SUPPLEMENT 2).

MAXIMUM PRICES FOR OATS SOLD OFF FARMS WHERE GROWN ARE 3 CENTS PER BUSHEL LESS THAN THE INDICATED PRICES. PRICES SHOWN ARE NOT TO BE USED AS CEILING PRICES BUT AS APPROXIMATIONS ONLY.

TERMINAL BASE PRICES

CHICAGO	.76	KANSAS CITY	.74
MILWAUKEE	.76	ST. LOUIS	.76
MINNEAPOLIS	.72	PHILADELPHIA	.83 ½
DULUTH	.72	PORTLAND	.71
OMAHA	.72	SEATTLE	.71
		OGDEN	.75

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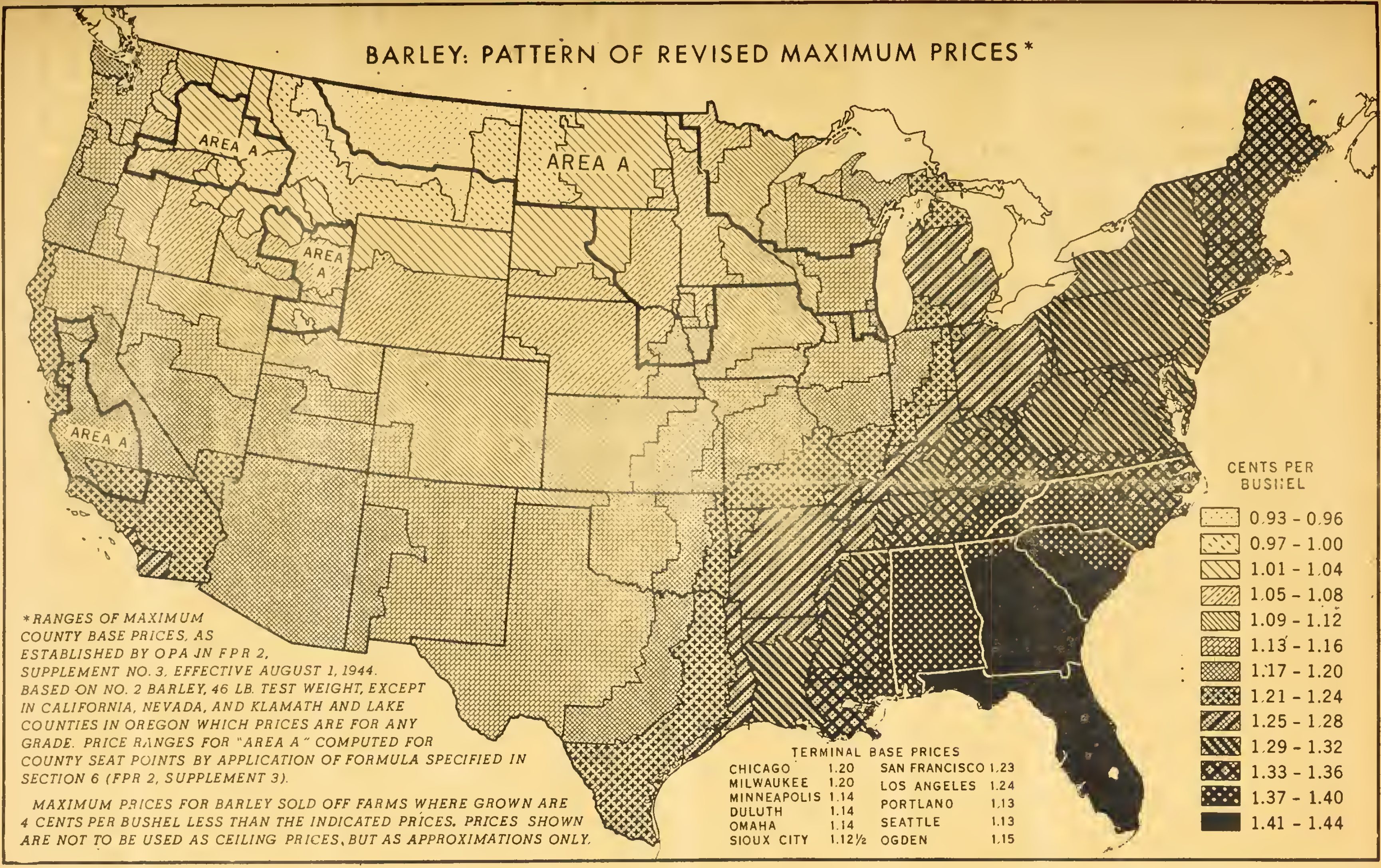

BARLEY: PATTERN OF REVISED MAXIMUM PRICES*

*RANGES OF MAXIMUM COUNTY BASE PRICES, AS ESTABLISHED BY OPA IN FPR 2, SUPPLEMENT NO. 3, EFFECTIVE AUGUST 1, 1944. BASED ON NO. 2 BARLEY, 46 LB. TEST WEIGHT, EXCEPT IN CALIFORNIA, NEVADA, AND KLAMATH AND LAKE COUNTIES IN OREGON WHICH PRICES ARE FOR ANY GRADE. PRICE RANGES FOR "AREA A" COMPUTED FOR COUNTY SEAT POINTS BY APPLICATION OF FORMULA SPECIFIED IN SECTION 6 (FPR 2, SUPPLEMENT 3).

MAXIMUM PRICES FOR BARLEY SOLD OFF FARMS WHERE GROWN ARE 4 CENTS PER BUSHEL LESS THAN THE INDICATED PRICES. PRICES SHOWN ARE NOT TO BE USED AS CEILING PRICES, BUT AS APPROXIMATIONS ONLY.

TERMINAL BASE PRICES

CHICAGO	1.20	SAN FRANCISCO	1.23
MILWAUKEE	1.20	LOS ANGELES	1.24
MINNEAPOLIS	1.14	PORTLAND	1.13
DULUTH	1.14	SEATTLE	1.13
OMAHA	1.14	OGDEN	1.15
SIOUX CITY	1.12½		

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"Area B", are not identical in the two regulations. Terminal base points and their base prices per bushel, bulk, are as follows:

Chicago, Illinois	$1.20
Milwaukee, Wisconsin	1.20
Minneapolis and St. Paul, Minnesota	1.14
Duluth, Minnesota, and Superior, Wisconsin	1.14
Omaha, Nebraska, and Council Bluffs, Iowa	1.14
Sioux City, Iowa	1.12-1/2
Ogden, Utah	1.15
Seattle and Tacoma, Washington, and Portland, Oregon	1.13
San Francisco, California	1.23
Los Angeles, California	1.24

These prices are for the "standard grade and quality" of barley, which is stated by the supplement to be Number 2 barley with a test weight of 46 pounds per bushel. Prices for other grades and qualities are computed by application of a schedule of discounts and premiums set forth in the appendix to the supplement.

A maximum premium of 15 cents per bushel is allowed for malting barley, except in the case of Hannchen barley grown in the Tule Lake district of northern California and the Klamath district of southern Oregon, and also for Hanna, Hannchen and Chevalier barleys in eastern Washington, eastern Oregon, and northern Idaho. A premium of 25 cents per bushel is allowed for these special barleys. A premium of 5 cents per bushel is allowed for pearling barley.

As in the revised oats regulation, the new barley prices are computed differently for the surplus barley area, "Area A", and for "Area B", the rest of the country. The main "surplus area" is roughly defined as the entire State of North Dakota, parts of Montana, South Dakota, Minnesota, Nebraska, Iowa, Wisconsin, and several counties in northern Illinois (see fig.2). Prices in "Area A" are determined by deducting freight from the base prices at Chicago, Milwaukee, Minneapolis, Duluth, Sioux City, or Omaha. Additional surplus areas were included in "Area A" to reflect the pricing methods that prevail there. These are eastern Washington and Oregon, and northern Idaho, where prices are based on Seattle, Tacoma, and Portland, and southern Idaho and northern Utah, where prices are based on Ogden. The producing area in California also is included in "Area A", prices being based on San Francisco and Los Angeles (fig. 2).

The new pricing method on barley begins with the determination of a "base price" at the point of origin of any particular lot of barley. In "Area A" the base price at any interior rail point is the highest price obtained by deducting transportation charges from the base price at any "Terminal Base Point." The base prices in "Area B" are specified in the regulation by counties.

For the producer, ceiling prices at the farm where barley is grown are set at 4 cents a bushel under the base price at the nearest interior rail loading point. (Price ranges shown in fig. 2 are approximately the permissible base prices at interior rail points in the area indicated.) If the producer delivers his barley to an elevator or warehouse, his maximum price is the base price at that point less 2-1/2 cents per bushel. If he track-loads, his maximum price is the base price at the loading point less 1 cent per bushel.

The new barley regulation does not allow the producer any additional mark-up, no matter where or how he sells his grain. He is permitted to add only certain specified amounts to cover actual services he performs, or expenses he incurs, such as hauling, carloading, transportation charges, etc.

Subsequent classes of handlers of barley, "country shipper," "merchandiser," "trucker merchant," "importer," and "retailer" are defined in the regulation. A separate regulation (Sup. 1, FPR 2) deals with retailers who operate a store. A "country shipper" sells at prices not to exceed the base price at the point of loading, although he may also receive an additional mark-up if he sells in less-than-carload lots. A "merchandiser" is allowed a mark-up of 1-1/4 cents per bushel over his supplier's maximum prices, and an additional mark-up for certain sales in less-than-carload quantities. "Country shippers" and "merchandisers" are allowed an extra mark-up of 1-1/4 cents per bushel for handling malting barley.

OUTLOOK

BACKGROUND.- The supply of feed grains increased each year from 1936, reaching a record level in the 1942-43 marketing year. The number of livestock on farms increased from 1941 to a record number on January 1, 1944, but numbers of most kinds of livestock on farms are being reduced during the current year. Livestock numbers increased proportionately more than feed-grain supplies in 1941 and 1942. With smaller crops being harvested in 1943 than in 1942, and increases in livestock numbers in 1943, feed-grain reserves were substantially reduced during the 1943 crop year, after having been accumulated to a large volume during the 1937-40 period. Prices of feed grains increased considerably from the beginning of the war until recent months, but not to the extent recorded in World War I.

1944 Feed-Grain Production Estimated to be 3 million Tons Smaller Than in 1943; Grain Sorghums Production Largest on Record

Indications on August 1 pointed to production of feed grains (corn, oats, barley, and grain sorghums) in 1944 amounting to about 112 million tons, compared with 115 million tons in 1943. In addition, a record wheat crop is being harvested and a large wheat crop is in prospect in Canada. The 1944 domestic corn crop, on the basis of August 1 conditions, may total about 2,929 million bushels (82 million tons). A crop this size would be about 147 million bushels or 5 percent below the large 1943 crop, but about 560 million bushels (24 percent) larger than in the 10-year (1933-42) average production. The 1944 oats crop was indicated on August 1 to be about 1,188 million bushels, 44 million bushels larger than in 1943, and 159 million bushels larger than the 10-year average. Production of almost 294 million bushels of barley is estimated for this year, 28 million bushels less than in 1943, but 37 million bushels larger than the 10-year average. Production of all sorghums for grain this year will be much larger than that of any other year, if August 1 prospects are borne out. The 1944 production, indicated on August 1 at 147 million bushels, would be about 43 percent larger than the 1943 crop, and 125 percent larger than the 10-year average. The large increase in production this year is due to generally high yields on the largest recorded acreage of sorghums for grain.

Smaller Supply of Feed Grains in Prospect for 1944-45; Supply per Animal Unit May be Larger

A supply of 124.5 million tons of corn, oats, barley, and grain sorghums (production plus carry-in) was in prospect on August 1 for the 1944-45 feeding year 1/. This quantity would be 6 percent smaller than the 1943-44 supply, but about one-half million tons larger than the average 1938-42 supply. It would, however, be slightly smaller than for any year since 1940.

Livestock production is being decreased this year -- principally hogs and chickens. Present indications point to 13 to 15 percent fewer grain-consuming animals on farms next January 1 than a year earlier. Thus, although smaller in total, the supply of feed grains would be about 9 percent larger per animal unit than last year. However, the supply would still be 5 percent smaller per animal unit than the average for 1938-42, when reserves of feed grains were being accumulated.

On the basis of August 1 condition, the 1944-45 supply of corn (October 1 prospective carry-over plus the 1944 crop) is expected to total about 3.2 billion bushels. 1/ The carry-over of corn October 1, 1944, may be only about 270 million bushels compared with 368 million bushels on October 1, 1943, and with the 5-year (1938-42) average carry-over on that date of 554 million bushels.

Supplies of oats in 1944-45 (excluding stocks at interior mills, elevators, and warehouses) are estimated at 1,381 million bushels, slightly smaller than for 1943-44. The 1944-45 supplies of barley are estimated at 361 million bushels, 15 percent smaller than in 1943-44. Data on stocks of sorghums for grain are not available, but 1944 production is estimated at 44 million bushels more than in 1943.

1/ Not including quantities at interior mills, elevators, and warehouses.

Table 6.- Feed balance, livestock production, and feed per unit of livestock production, United States, year beginning October, 1937-44

Item	Average: 1937-41	1942	1943 1/	1944 1/
	Million tons	Million tons	Million tons	Million tons
Supply				
Stocks beginning of crop year 2/	17.1	18.8	16.7	12.0
Production				
Corn	72.3	87.7	86.1	82.0
Oats	18.1	21.6	18.3	19.0
Barley	6.8	10.3	7.7	7.1
Grain sorghums	2.2	3.0	2.9	4.1
Total feed grains produced	99.4	122.6	115.0	112.2
Other grains fed 3/	4.5	15.7	15.6	9.0
Byproduct feeds	16.5	19.5	19.7	19.2
Total supply of concentrates	137.5	176.6	167.0	152.4
Utilization				
Domestic feed grains fed	85.0	111.4	104.1	
Domestic wheat and rye fed	4.4	12.9	9.5	
Imported feed grains, wheat, and rye fed	.1	2.8	6.0	
Byproduct feeds fed	16.5	19.5	19.7	
Total concentrates fed	106.0	146.6	139.3	
Feed grains for seed, human food, industry, and export	12.2	13.4	13.0	
Total utilization	118.2	160.0	152.3	
Total utilization adjusted to crop-year basis	117.4	159.9	155.0	
Stocks at end of crop year 2/	20.1	16.7	12.0	
Number of grain-consuming animal units January 1 following (millions)	132.6	159.6	170.8	148.0
Utilization of all concentrates for feed per animal unit January 1 following (ton)	.80	.92	.82	
Livestock production, October-September, in terms of production units (millions) 4/	153.9	189.5	190.0	172.0
Utilization of all concentrates for feed per production unit (ton)	.69	.77	.73	

1/ Preliminary. Subject to change as additional data become available.

2/ Stocks of corn October 1, oats July 1, and barley, June 1; sorghum stocks not reported.

3/ Imported grain and domestic wheat and rye.

4/ An animal production unit is equal to 4,237 pounds of milk, 314 pounds of hogs live weight, 833 pounds of cattle and calves live weight, 185 dozen eggs, 70 chickens produced, 20 turkeys produced, 116 broilers produced, 37 sheep and lambs on farms January 1, or 0.70 horse or mule on farms January 1.

Table 7.- Feed grains: Total supplies and supply per animal-unit, United States, 1938-43 and estimated 1944

Year	Corn Oct. 1	Oats July 1	Barley June 1	Grain sorghums production	Total supply	Grain-consuming animal units 1/	Supply per animal unit
	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	Thousands	Ton
Average							
1938-42	90,549	21,740	9,304	2,364	123,957	140,324	.88
1942	101,470	24,705	12,251	2,990	141,416	159,599	.89
1943	96,433	22,187	10,238	2,889	131,747	170,836	.77
1944 2/	89,575	22,094	8,672	4,118	124,459	148,000	.84

1/ January 1 following.
2/ Preliminary; basis August 1 conditions.

1944-45 Feed-Grain Supplies in North Atlantic States Indicated Larger Than in 1943-44; Hay Supplies Smaller

Local feed grain supplies in the North Atlantic States for 1944-45, based on August 1 conditions, may be 17 percent larger than a year earlier but about 9 percent smaller than in either 1941 or 1942. Supplies of hay will be about 2 million tons smaller than in 1943, and slightly smaller than the 1938-42 average. Pasture and hay crops in this area on August 1 were generally in poorer-than-average condition, and rain was needed in much of the area.

Smaller Feed Grain Supplies for 1944-45 Indicated for East North Central States; Dry Weather Affecting Yields of 1944 Crops

Dry weather, approaching drought over large areas, will reduce feed grain production in the East North Central States in 1944. On the basis of August 1 conditions feed grain production this year in this region may be 3 percent smaller than in 1943 from about a 3 percent larger planted acreage. Feed grain supplies (local carry-over plus new production) for the 1944-45 feeding year may be about 7 percent smaller than a year earlier, and 5 percent smaller than the 1938-42 average. Pastures in that area in early August were, generally, in poor condition as a result of the continued dry weather.

Weather in West North Central States Generally Favorable; but Feed Grain Supplies for 1944-45 Indicated Smaller than Year Earlier

Moisture conditions during the 1944 growing season have been generally favorable for crops in the West North Central States. However, on the basis o August 1 conditions, 1944 feed grain production in that region is indicated to be 2 percent smaller than in 1943 on about the same total planted acreage. Feed grain supplies (local carry-over plus production) in that region for the

1944-45 feeding year may be about 5 percent smaller than a year earlier, but 6 percent larger than the 1938-42 average. On August 1, pasture and forage crops in the West North Central region were in better-than-average condition for that date.

Reduced Supplies of Feed Grains in Southern States for 1944-45

Locally grown feed grain production and carry-over stocks in the Southern States are indicated, on the basis of August 1 conditions, to be about 9 percent smaller than a year earlier and 9 percent smaller than the average supply in this area in the 5-year (1938-42) period. The feed-grain supply for 1944-45 in the South Atlantic region is expected to be about 9 percent smaller than that of last year, while in the South Central region it may be about 8 percent smaller than a year earlier. The 1944-45 hay supply in the South Atlantic and South Central States will be about 9 percent less than in 1943-44, and about 6 percent less than the 5-year average.

Feed Prospects Good in Western States

Prospects for feed-grains and hay in the Western States on August 1 were considerably better than average and as favorable as in 1943. Feed-grain supplies for 1944-45 are expected to be about the same as a year earlier, and 31 percent larger than average supplies in 1938-42. Supplies of oats and barley probably will be about 5 percent smaller in 1944-45 than a year earlier, but a third larger than the 1938-42 average supply. Hay supplies probably will be a little larger than a year earlier, and 6 percent larger than the 5-year average.

Table 8.- Feed-grain production, by regions, 1943-44

Geographic division	Corn	Oats	Barley	Grain sorghums	Total
	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 tons
			1943		
North Atlantic	85,606	30,721	4,817	---	3,004
East North Central	972,876	299,972	15,650	30	32,417
West North Central	1,402,021	639,077	168,429	17,323	54,009
South Atlantic	191,523	35,940	5,124	---	6,061
South Central	393,378	73,291	11,067	77,256	14,616
Western	30,755	64,866	117,100	8,559	4,949
Total	3,076,159	1,143,867	322,187	103,168	115,056
			1944 1/		
North Atlantic	96,997	56,385	5,803	---	3,757
East North Central	925,803	329,543	12,621	25	31,499
West North Central	1,393,869	587,910	138,566	38,507	52,838
South Atlantic	168,651	43,249	6,438	---	5,569
South Central	311,530	109,708	18,503	94,409	13,566
Western	32,267	60,984	111,772	14,143	4,958
Total	2,929,117	1,187,779	293,703	147,084	112,187

1/ Indicated August 1.

Table 9.- Feed-grain supplies, by regions, 1938-44 1/

Geographic division	Average 1938-42	1941	1942	1943	1944 2/
	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons
North Atlantic	4,285	4,478	4,497	3,498	4,087
East North Central .	36,382	36,653	39,697	36,992	34,442
West North Central .	57,060	60,058	68,496	63,706	60,357
South Atlantic	6,559	6,569	6,423	6,420	5,828
South Central	15,375	16,593	16,365	15,488	14,133
Western	4,296	4,582	5,938	5,643	5,612
United States .	123,957	128,933	141,416	131,747	124,459

1/ Corn: October 1 farm and commercial stocks, (exclusive of stocks at interior mills, elevators, and warehouses), plus corn owned by the Government, plus production; oats: July 1 farm and commercial stocks plus production; barley: June 1 farm and commercial stocks, plus production; grain sorghums: production for all purposes.
2/ Preliminary.

Table 10.- Hay supplies, by regions, 1938-44 1/

Geographic division	Average 1938-42	1941	1942	1943	1944 2/
	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons
North Atlantic	13,312	11,797	14,082	15,236	13,190
East North Central .	23,597	22,835	24,271	23,489	21,608
West North Central .	29,733	30,365	34,982	32,156	32,082
South Atlantic	6,184	6,095	6,635	6,767	6,234
South Central	12,901	13,460	14,354	12,983	11,686
Western	21,580	22,640	22,228	22,320	22,807
United States .	107,307	107,192	116,552	112,951	107,607

1/ Production plus farm stocks May 1.
2/ Production indicated August 1 plus farm stocks May 1.

Smaller Volume of Byproduct Feed Supplies Estimated for 1944-45, but Larger Per Animal Unit

Prospective 1944-45 supplies of byproduct feeds for livestock are tentatively estimated to be slightly smaller than the 1943-44 use for feed. Production of oilseed meals in 1944-45 is expected to be about 10 percent smaller than the record output in 1943-44. A large part of the decrease would be attributable to a smaller production of flaxseed this year, although slightly smaller supplies of cottonseed and soybean cake and meal for livestock are in prospect also. Greater production during 1944-45 than a year earlier is expected in wheat millfeeds, brewers' and distillers' dried grains and alfalfa meal. Although supplies of byproduct feeds are expected to be slightly smaller in volume, the supply in relation to livestock on farms may be about 13 percent greater per animal unit in 1944-45 than in 1943-44, as a result of the decrease in livestock numbers now taking place.

Table 11.- Index numbers of feed grain prices, United States, by months, 1914-21 and 1939-44 1/
(Aug. 1909-July 1914 = 100)
(Data for cover page)

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Av.
1914	104	104	105	107	109	111	111	115	118	112	105	103	109
1915	110	118	120	122	122	120	119	116	108	98	91	93	111
1916	101	106	107	109	111	112	115	121	124	127	134	137	117
1917	142	150	162	195	225	231	252	257	241	225	200	198	206
1918	208	224	237	237	232	226	228	232	231	216	203	206	223
1919	205	198	205	222	237	244	257	263	240	210	200	207	224
1920	218	224	234	250	269	279	260	232	201	157	122	107	213
1921	103	100	99	95	94	95	94	88	81	72	67	69	88
1939	69	67	68	70	74	76	72	69	85	74	74	80	73
1940	84	87	89	92	96	93	90	89	88	86	85	84	89
1941	85	85	87	93	97	99	100	101	106	99	99	106	96
1942	115	121	123	124	126	123	123	123	122	116	115	122	121
1943	134	139	146	154	157	163	166	167	170	171	169	177	159
1944	180	181	182	184	184	183	184						

1/ Average price per bushel received by farmers in the United States for three feed grains, weighted as follows: Corn 63, oats 32, barley 5.

Table 12.- Index numbers of prices received by farmers for livestock and livestock products, United States, by months, 1914-21 and 1939-44
(Aug. 1909-July 1914 = 100)
(Data for cover page)

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Av.
1914	114	111	109	103	101	100	103	107	110	109	111	113	108
1915	112	105	99	99	99	99	100	99	103	109	110	110	104
1916	110	111	113	113	112	112	114	116	122	126	133	137	118
1917	140	146	149	160	161	160	159	165	178	185	183	190	165
1918	193	191	182	184	185	180	185	193	203	206	211	220	194
1919	215	198	202	209	210	203	210	213	200	199	207	213	207
1920	211	203	197	194	188	185	186	188	195	193	188	170	192
1921	160	139	139	126	117	111	119	128	122	129	132	132	130
1939	111	111	108	105	104	101	103	102	114	116	116	110	108
1940	111	110	106	105	107	103	108	110	116	118	121	123	112
1941	125	122	122	129	131	136	144	147	156	154	155	158	140
1942	160	161	162	166	167	168	171	178	181	187	189	191	173
1943	197	199	201	202	200	199	198	200	203	204	201	200	200
1944	193	194	194	191	190	189	190						

Table 13.- Production and stocks of specified byproduct feeds, July 1942 and 1943, and May-July 1944

Item	July		1944		
	1942	1943	May	June	July
	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons
Production					
Cottonseed cake and meal	32.1	28.5	62.7	33.9	25.2
Soybean cake and meal	158.1	253.4	302.4	267.7	---
Linseed cake and meal	70.8	54.8	69.1	79.5	---
Peanut cake and meal	8.8	6.9	7.1	7.3	4.9
Copra cake and meal	---	1.8	3.6	4.6	---
Gluten feed and meal	81.2	65.8	65.8	67.3	1/ 63.8
Brewers' dried grains	21.5	23.6	20.1	21.7	21.5
Distillers' dried grains	32.8	28.1	39.2	38.1	35.9
Wheat millfeeds	380.7	401.2	421.0	410.5	2/ 390.8
Rice millfeeds	1.5	3.0	4.9	5.7	2.2
Stocks, end of month					
Cottonseed cake and meal	249.5	29.4	49.3	37.7	27.8
Peanut cake and meal	7.4	2.1	2.9	3.4	3.0

Compiled as follows: Cottonseed cake and meal, Bureau of the Census; soybean and linseed cake and meal, War Food Administration, derived from Census crushings reports; brewers' and distillers' dried grains, copra cake and meal, and rice millfeeds, War Food Administration; gluten feed and meal derived from reports of the Corn Industries Research Foundation; and wheat millfeeds from reports of the Bureau of the Census.

1/ Domestic grind only.

2/ Preliminary.